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*Attorneys for the Motors Liquidation Company GUC Trust*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
	:
MOTORS LIQUIDATION COMPANY, <i>et al.</i> ,	: 09-50026 (REG)
f/k/a General Motors Corp., <i>et al.</i>	:
	: (Jointly Administered)
Debtors.	:
-----X	

**MOTORS LIQUIDATION COMPANY GUC TRUST  
QUARTERLY GUC TRUST REPORTS AS OF MARCH 31, 2013**

The Motors Liquidation Company GUC Trust (the “**GUC Trust**”), by its undersigned counsel, pursuant to the Amended and Restated Motors Liquidation Company GUC Trust Agreement dated June 11, 2012 and between the parties thereto (as amended, the “**GUC Trust Agreement**”) and in accordance with Paragraph 31 of the order of this Court dated March 29, 2011 confirming the Debtors’ Second Amended Joint Chapter 11 Plan of liquidation dated March 18, 2011 of Motors Liquidation Company and its affiliated post-effective date debtors (the “**Confirmation Order**”), hereby files the following for the most recently ended fiscal quarter of the GUC Trust.

Financial statements required under Section 6.2(b) of the GUC Trust Agreement for the fiscal quarter ended March 31, 2013 are annexed hereto as Exhibit A (the “**GUC Trust Reports**”).

The GUC Trust has no officers, directors or employees. The GUC Trust and Wilmington Trust Company, solely in its capacity as trustee and trust administrator (the “**GUC Trust Administrator**”), rely solely on receiving accurate information, reports and other representations from GUC Trust professionals and other service providers to the GUC Trust. In submitting the GUC Trust Reports and executing any related documentation on behalf of the GUC Trust, the GUC Trust Administrator has relied upon the accuracy of such reports, information and representations.

Dated: New York, New York  
May 21, 2013

GIBSON, DUNN & CRUTCHER LLP

By: /s/ Matthew J. Williams

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## **EXHIBIT A**

**Motors Liquidation Company GUC Trust**

**Condensed Financial Statements**

**Quarter Ended March 31, 2013**

Motors Liquidation Company GUC Trust  
Financial Statements  
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**Report of Independent Registered Public Accounting Firm**

To the Trust Administrator, Trust Monitor,  
and Trust Beneficiaries  
Motors Liquidation Company GUC Trust

We have audited the accompanying statements of net assets in liquidation of the Motors Liquidation Company GUC Trust as of March 31, 2013 and 2012 and the related statements of changes in net assets in liquidation and cash flows for the years then ended. These financial statements are the responsibility of the Trust Administrator of the Motors Liquidation Company GUC Trust. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Motors Liquidation Company GUC Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Motors Liquidation Company GUC Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation of the Motors Liquidation Company GUC Trust as of March 31, 2013 and 2012 and the related statements of changes in net assets in liquidation and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Plante & Moran, PLLC

Auburn Hills, Michigan  
May 21, 2013

Moters Liquidation Company GUC Trust  
STATEMENTS OF NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)  
March 31, 2013 and 2012  
(Dollars in thousands)

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,010	\$ 38,396
Marketable Securities	76,796	86,571
Holdings of New GM Securities (Note 6)	1,591,110	1,530,262
Other Assets & Deposits	<u>1,815</u>	<u>2,662</u>
<b>TOTAL ASSETS</b>	1,670,731	1,657,891
<b>LIABILITIES</b>		
Accounts Payable & Other Liabilities	6,782	26,276
Liquidating Distributions Payable (Note 5)	16,555	31,720
Deferred Tax Liability (Note 9)	164,845	108,583
Avoidance Action Trust Funding Obligation	—	13,715
Reserves for Residual Wind Down Claims (Note 8)	30,855	32,247
Reserves for Expected Costs of Liquidation (Note 8)	<u>61,513</u>	<u>76,111</u>
<b>TOTAL LIABILITIES</b>	<u>280,550</u>	<u>288,652</u>
<b>NET ASSETS IN LIQUIDATION</b> (Note 4)	<u><u>\$ 1,390,181</u></u>	<u><u>\$ 1,369,239</u></u>

See Accompanying Notes to Financial Statements.

Motors Liquidation Company GUC Trust  
STATEMENTS OF CHANGES IN NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)  
YEARS ENDED March 31, 2013 and 2012  
(Dollars in thousands)

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>Net Assets in Liquidation, beginning of year</b>	<b>\$ 1,369,239</b>	<b>\$ —</b>
<b>Increase (decrease) in net assets in liquidation:</b>		
Transfer of interest in New GM Securities due from Motors Liquidation Company	—	9,900,699
Additions (net) to reserves for Expected Costs of Liquidation	(17,488)	(52,993)
Incurrence of funding obligation to Avoidance Action Trust	—	(13,715)
Liquidating distributions (Note 5)	(29,389)	(7,883,466)
Net change in fair value of holdings of New GM Securities	123,936	(472,801)
Interest and dividend income	145	98
Income tax provision	(56,262)	(108,583)
<b>Net increase in net assets in liquidation</b>	<b>20,942</b>	<b>1,369,239</b>
<b>Net Assets in Liquidation, end of year</b>	<b><u>\$ 1,390,181</u></b>	<b><u>\$ 1,369,239</u></b>

See Accompanying Notes to Financial Statements.



Motors Liquidation Company GUC Trust  
STATEMENTS OF CASH FLOWS (LIQUIDATION BASIS)  
YEARS ENDED March 31, 2013 and 2012  
(Dollars in thousands)

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>Cash flows from (used in) operating activities</b>		
Cash receipts from interest and dividends	\$ 151	\$ 98
Cash paid for professional fees, governance costs and other administrative costs	(39,263)	(21,385)
Cash paid for Residual Wind-Down Claims	(1,387)	(1,560)
Cash paid for distributions in lieu of shares and warrants	(668)	—
Net cash flows used in operating activities	(41,167)	(22,847)
<b>Cash flows from (used in) investing activities</b>		
Cash used to purchase marketable securities	(187,427)	(340,828)
Cash from maturities and sales of marketable securities	185,721	265,725
Net cash flows used in investing activities	(1,706)	(75,103)
<b>Cash flows from (used in) financing activities</b>		
Cash transfer from Motors Liquidation Company to fund Expected Costs of Liquidation	—	62,306
Cash transfer from Motors Liquidation Company to fund Residual Wind-Down Claims	—	33,807
Cash from sale of New GM Securities for Avoidance Action Trust	—	13,715
Cash from sale of New GM Securities to fund Expected Costs of Liquidation	17,969	26,518
Cash from sale of New GM Securities for distribution in lieu of shares and warrants	1,233	—
Cash transferred to the Avoidance Action Trust	(13,715)	—
Net cash flows from financing activities	5,487	136,346
<b>Net (decrease) increase in cash and cash equivalents</b>	(37,386)	38,396
Cash and cash equivalents, beginning of year	38,396	—
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,010</u>	<u>\$ 38,396</u>

The GUC Trust has not presented a reconciliation from net income to cash flow from operations. As an entity in liquidation, the GUC Trust does not have continuing operations that result in the measurement of net income as that term is used by generally accepted accounting principles to measure results of operations.

See Accompanying Notes to Financial Statements.

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**March 31, 2013**

**1. Purpose of Trust**

The Motors Liquidation Company GUC Trust ("GUC Trust") is a successor to Motors Liquidation Company (formerly known as General Motors Corp.) ("MLC") within the meaning of Section 1145 of the United States Bankruptcy Code ("Bankruptcy Code"). The GUC Trust holds, administers and directs the distribution of certain assets pursuant to the terms and conditions of the Amended and Restated Motors Liquidation Company GUC Trust Agreement (the "GUC Trust Agreement"), dated as of June 11, 2012 and as amended from time to time, and pursuant to the Second Amended Joint Chapter 11 Plan (the "Plan"), dated March 18, 2011, of MLC and its debtor affiliates (collectively, along with MLC, the "Debtors"), for the benefit of holders of allowed general unsecured claims against the Debtors ("Allowed General Unsecured Claims").

The GUC Trust was formed on March 30, 2011, as a statutory trust under the Delaware Statutory Trust Act, for the purposes of implementing the Plan and distributing the GUC Trust's distributable assets. The Plan generally provides for the distribution of certain shares of common stock ("New GM Common Stock") of the new General Motors Company ("New GM") and certain warrants for the purchase of shares of such stock (the "New GM Warrants," and, together with the New GM Common Stock, the "New GM Securities") to holders of Allowed General Unsecured Claims *pro rata* by the amount of such claims. In addition, the Plan provides that each holder of an Allowed General Unsecured Claim will obtain, in the form of GUC Trust Units (as defined below), a contingent right to receive, on a *pro rata* basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims (as defined below) or liquidation for the payment of the expenses of the GUC Trust) and cash, if any, remaining at the dissolution of the GUC Trust.

The GUC Trust is administered by Wilmington Trust Company, solely in its capacity as the trust administrator and trustee (the "GUC Trust Administrator"). Among other rights and duties, subject to the terms, conditions and limitations set forth in the GUC Trust Agreement, the GUC Trust Administrator has the power and authority to hold, manage, sell, invest and distribute the assets comprising the GUC Trust corpus, consult with and retain professionals for the administration of the GUC Trust, prosecute and resolve objections to Disputed General Unsecured Claims, take all necessary actions to administer the wind-down of the affairs of the Debtors upon their dissolution, and upon such dissolution, resolve and satisfy, to the extent allowed, the Residual Wind-Down Claims (as defined below). The activities of the GUC Trust Administrator are overseen by FTI Consulting, Inc., solely in its capacity as monitor (the "GUC Trust Monitor").

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**March 31, 2013**

**2. Plan of Liquidation**

On March 31, 2011, the date the Plan became effective (the “Effective Date”), there were approximately \$29,771 million in Allowed General Unsecured Claims. In addition, as of the Effective Date, there were approximately \$8,154 million in disputed general unsecured claims which reflects liquidated disputed claims and a Bankruptcy Court ordered distribution reserve for unliquidated disputed claims (“Disputed General Unsecured Claims”), but does not reflect potential Term Loan Avoidance Action Claims. The total aggregate amount of general unsecured claims, both allowed and disputed, asserted against the Debtors, inclusive of the potential Term Loan Avoidance Action Claims, was approximately \$39,425 million as of the Effective Date.

Pursuant to the GUC Trust Agreement, holders of Disputed General Unsecured Claims become entitled to receive a distribution of New GM Securities from the GUC Trust if, and to the extent that, such Disputed General Unsecured Claims become Allowed General Unsecured Claims. Under the GUC Trust Agreement, the GUC Trust Administrator has the authority to file objections to such Disputed General Unsecured Claims and the Bankruptcy Court has extended the time by which the GUC Trust may object to Disputed General Unsecured Claims and Administrative Expenses as defined in the Plan to September 21, 2013 (which date may be further extended by application to the Bankruptcy Court). Such claims may be prosecuted through alternative dispute resolution proceedings, including mediation and arbitration (“ADR Proceedings”), if appropriate. The GUC Trust Administrator and its professionals are currently prosecuting multiple objections to Disputed General Unsecured Claims.

To the extent that all or a portion of a Disputed General Unsecured Claim is deemed invalid—or “disallowed”—by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is disallowed is not entitled to a distribution from the GUC Trust (subject to any appeal rights of the claimant). However, to the extent that a Disputed General Unsecured Claim is fully resolved, and such resolution results in all or a portion of the original Disputed General Unsecured Claim being deemed valid—or “allowed”—by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is allowed will be considered an Allowed General Unsecured Claim and will be entitled to a distribution from the GUC Trust as if it were an Allowed General Unsecured Claim on the Effective Date (such claims, “Resolved Disputed Claims”).

Only one Avoidance Action, captioned Official Committee of Unsecured Creditors of Motors Liquidation Co. v. JPMorgan Chase Bank, N.A. et al., Adv. Pro. No.09-00504 (Bankr. S.D.N.Y. July 31, 2009) (the “Term Loan Avoidance Action”), was commenced prior to the statutory deadline for commencing such actions. The Term Loan Avoidance Action was commenced by the Official Committee of Unsecured Creditors of Motors Liquidation Company (the “Committee”), and seeks the return of approximately \$1.5 billion that had been transferred by the Debtors (with funds advanced after the commencement of the Debtors’ Chapter 11 cases by the United States Treasury and Export Development Canada (together, the “DIP Lenders”)) to a consortium of prepetition lenders pursuant to the terms of the order of the Bankruptcy Court. On December 15, 2011, in accordance with the Plan, upon the dissolution of MLC, the Term Loan Avoidance Action was transferred to the Avoidance Action Trust (as defined below). To the extent that the trustee and trust administrator of the Avoidance Action Trust (the “Avoidance Action Trust Administrator”) is successful in obtaining a judgment against the defendant(s) to the Term Loan Avoidance Action, Allowed General Unsecured Claims will arise in the amount of any transfers actually avoided (that is, disgorged) pursuant thereto (such general unsecured claims “Term Loan Avoidance Action Claims,” and together with Resolved Disputed Claims, the “Resolved Allowed Claims”).

It is still unclear whether any amounts actually avoided pursuant to the Term Loan Avoidance Action would be for the benefit of holders of Allowed General Unsecured Claims. The Committee has taken the position that (a) the DIP Lenders are not entitled to any proceeds of the Term Loan Avoidance Action and have no interests in the trust established for the action under the Plan (the “Avoidance Action Trust”) and (b) the holders of Allowed General Unsecured Claims have the exclusive right to receive any and all proceeds of the Term Loan Avoidance Action, and are the exclusive beneficiaries of the Avoidance Action Trust with respect thereto.

Litigation with respect to these issues is ongoing, and the rights to any recoveries on the Term Loan Avoidance Action are still disputed. In no event, however, will any funds reclaimed from the pre-petition lenders be transferred to or otherwise benefit the GUC Trust or be distributed to holders of GUC Trust Units.

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**March 31, 2013**

***GUC Trust Distributable Assets***

Pursuant to the terms of the Plan, the Bankruptcy Court authorized the distribution of 150 million shares of New GM Common Stock issued by New GM, warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$10.00 per share ("New GM Series A Warrants"), and warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$18.33 per share ("New GM Series B Warrants"), (such securities, "New GM Securities"). The New GM Securities were held by MLC for the benefit of the GUC Trust until the dissolution of MLC on December 15, 2011, at which time they were transferred to the GUC Trust.

In addition, the agreement governing the sale of substantially all of the assets of the Debtors and related sale documentation together provide that, in the event that the Bankruptcy Court enters an order that includes a finding that the estimated aggregate Allowed General Unsecured Claims against the Debtors exceed \$35 billion, New GM will be required to issue additional shares of New GM Common Stock for the benefit of the GUC Trust's beneficiaries (the "Additional Shares"). The number of Additional Shares to be issued will be equal to the number of such shares, rounded up to the next whole share, calculated by multiplying (i) 30 million shares (adjusted to take into account any stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, reorganization or similar transaction with respect to such New GM Common Stock from and after the closing of such sale and before issuance of the Additional Shares) and (ii) a fraction, (A) the numerator of which is the amount by which Allowed General Unsecured Claims exceed \$35 billion (such excess amount being capped at \$7 billion) and (B) the denominator of which is \$7 billion. No Additional Shares have been issued.

***Funding for GUC Trust Costs of Liquidation***

The GUC Trust has incurred and will continue to incur certain costs to liquidate the trust assets and implement the Plan. On or about the Effective Date, pursuant to the Plan, MLC contributed approximately \$52.7 million to the GUC Trust to be held and maintained by the GUC Trust Administrator (as the "GUC Trust Administrative Fund") for the purpose of paying certain fees and expenses incurred by the GUC Trust (including fees of the GUC Trust Administrator and the GUC Trust Monitor and the fees and expenses for professionals retained by the GUC Trust) ("Wind-Down Costs"). Cash or investments from the GUC Trust Administrative Fund, if any, which remain at the winding up and conclusion of the GUC Trust must be returned to the DIP Lenders. The GUC Trust Agreement provides that, if the GUC Trust Administrator determines that the GUC Trust Administrative Fund is not sufficient to satisfy the current or projected costs and expenses of the GUC Trust, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to set-aside, or "reserve," New GM Securities from distribution for this purpose. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Wind-Down Costs, in most cases, with the required approval of the Bankruptcy Court. New GM Securities that are reserved and/or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units, and the cash proceeds of any such sale will be classified as "Other GUC Trust Administrative Cash" under the GUC Trust Agreement. Separate from this process of reserving, or setting aside, New GM Securities to satisfy projected costs and expenses of the GUC Trust, as a matter of financial reporting, the GUC Trust records a reserve in its Statement of Net Assets in Liquidation (the source of funding of which is not addressed thereon) for all expected costs of liquidation for which there is a reasonable basis for estimation. For this reason, among others, there is not a direct relationship between the amount of such reserve reflected in the Statement of Net Assets in Liquidation and the value of any New GM Securities that are set aside for current or projected costs. Adjustments to the Reserve for Expected Costs of Liquidation as reported in the Statement of Net Assets are recorded only when there is a reasonable basis for estimation of the expected incurrence of additional costs.

The Bankruptcy Court previously approved, soon after the Effective Date, and again in March 2012 (the "March 2012 Order"), the sale of New GM Securities for certain specified costs, fees and expenses, which are referred to as Reporting Costs, including those directly or indirectly relating to (i) reports to be prepared and filed by the GUC Trust pursuant to applicable rules, regulations and interpretations of the Securities and Exchange Commission, (ii) the transfer, registration for transfer and certification of GUC Trust Units, and (iii) the application to the Internal Revenue Service for a private letter ruling regarding the tax treatment of the GUC Trust and the holders of Allowed General Unsecured Claims in respect to the distribution of New GM Securities. The March 2012 Order additionally authorized the sale of New GM Securities for the purpose of funding accrued and projected Wind-Down Costs, as well as certain fees, costs and expenses of the Avoidance Action Trust (as described below under the heading "-Funding for Avoidance Action Trust"). Through March 31, 2012, sales of New GM Securities to fund estimated and projected Reporting Costs, along with estimated and projected Wind-Down Costs, for calendar years 2011 and 2012 aggregated approximately \$32.2 million (which amount comprised part of the GUC Trust's Other GUC Trust Administrative Cash).

**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**March 31, 2013**

The Bankruptcy Court again approved in December 2012 (the “December 2012 Order”), the sale of New GM Securities in an amount sufficient to generate approximately \$17.9 million to fund estimated and projected GUC Trust fees, costs and expenses for 2013. The liquidation of such New GM Securities occurred in January 2013 for sales proceeds of approximately \$18.0 million (which amount comprised part of the GUC Trust’s Other GUC Trust Administrative Cash). To the extent that any of the Other GUC Trust Administrative Cash is not ultimately required and is held by the GUC Trust at the time of its dissolution, such remaining Other GUC Trust Administrative Cash will be distributed by the GUC Trust to holders of Allowed General Unsecured Claims or holders of the GUC Trust Units, as the case may be.

Through March 31, 2013, 902,228 shares of New GM Common Stock, 820,205 New GM Series A Warrants and 820,205 New GM Series B Warrants have been sold to fund estimated and projected Wind-Down and Reporting Costs through 2013.

As of March 31, 2013, New GM Securities with an aggregate fair market value of \$41.0 million have been reserved, or set aside, for projected GUC Trust fees, costs and expenses to be incurred beyond December 31, 2013. Accordingly, such New GM Securities are not available for distribution to the beneficiaries of the GUC Trust Units.

***Funding for Potential Tax Liabilities***

The GUC Trust is subject to U.S. federal income tax on realized gains from the disposition of shares of New GM Common Stock and New GM Warrants that were transferred by MLC to the GUC Trust on December 15, 2011 (such taxes, “Taxes on Distribution”). The GUC Trust Agreement provides that the GUC Trust Administrative Fund may not be utilized to satisfy any Taxes on Distribution. As such, the GUC Trust Administrator is authorized, with the approval of the GUC Trust Monitor, to reserve, or set aside, from distribution an amount of New GM Securities, the liquidated proceeds of which would be sufficient to satisfy any current or potential Taxes on Distribution. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Taxes on Distribution, with the approval of the GUC Trust Monitor, but without the necessity of obtaining approval of the Bankruptcy Court. New GM Securities that are reserved or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units, and the cash proceeds of any such sale will be classified as “Other GUC Trust Administrative Cash” under the GUC Trust Agreement.

During the year ended March 31, 2013, the GUC Trust Administrator reviewed the current and potential Taxes on Distribution. As a result of such review, the GUC Trust Administrator determined that it was necessary to reserve, or set aside, New GM Securities with an aggregate fair market value of \$407.3 million for potential Taxes on Distribution based on the GUC Trust’s method for calculating potential gains on distributions or sales of New GM Securities (reduced by current period and carryforward net operating losses and future deductible expenses at March 31, 2013), as well as the GUC Trust’s method for converting the potential tax liability to the number of securities to be reserved. Accordingly, such New GM Securities are not currently available for distribution to the beneficiaries of GUC Trust Units. The GUC Trust Administrator intends to continue to reevaluate the reserve, or set aside, of New GM Securities on a quarterly basis.

The New GM Securities transferred from MLC to the GUC Trust still held at March 31, 2013 have a tax basis of approximately \$1,073 million (\$19.87 per share of New GM Common Stock, \$11.38 per warrant for the New GM Series A Warrants and \$7.88 per warrant for the New GM Series B Warrants). Such tax basis will be used to determine the taxable gain or loss on the disposition of New GM Securities since their transfer. As described in Note 9, for financial reporting purposes, the GUC Trust recorded a deferred tax liability for the fair value of New GM Securities in excess of their tax basis at March 31, 2013 and 2012.

***Funding for Avoidance Action Trust***

Based on an analysis of the Avoidance Action Trust and its potential funding sources, the GUC Trust Administrator, in conjunction with the Avoidance Action Trust Administrator determined that it would be in the best interest of the holders of Allowed General Unsecured Claims to fund certain fees, costs and expenses of the Avoidance Action Trust, subject to approval of the Bankruptcy Court. In March 2012, the Bankruptcy Court approved the sale of New GM Securities aggregating approximately \$13.7 million and the transfer of the sales proceeds to the Avoidance Action Trust for such funding. The sale occurred in March 2012 comprising 269,422 shares of New GM Common Stock, 244,929 New GM Series A Warrants and 244,929 New GM Series B Warrants. The sales proceeds were held by the GUC Trust at March 31, 2012 pending receipt of written confirmation from the Internal Revenue Service that the transfer of such sale proceeds would not affect its prior rulings regarding the tax characterization of (i) the 2009 section 363 sale by MLC and MLC’s subsequent liquidation and (ii) the GUC Trust as a “disputed ownership fund” within the meaning of Treasury Regulation section 1.468B-9. Such sale proceeds were transferred to the Avoidance Action Trust in May 2012 following receipt of such written confirmation.



**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**March 31, 2013**

***MLC Wind-Down***

Upon the dissolution of the Debtors, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining disputed administrative expenses, priority tax claims, priority non-tax claims and secured claims (the "Residual Wind-Down Claims"). On December 15, 2011, under the Plan, the Debtors transferred to the GUC Trust an amount of cash necessary (the "Residual Wind-Down Assets") to satisfy the ultimate allowed amount of such Residual Wind-Down Claims (including certain litigation defense costs related to the Term Loan Avoidance Action (the "Avoidance Action Defense Costs")), as estimated by the Debtors, and the costs, fees and expenses relating to satisfying and resolving the Residual Wind-Down Claims (the "Residual Wind-Down Costs").

Should the Residual Wind-Down Costs and the Residual Wind-Down Claims be less than the Residual Wind-Down Assets aggregating approximately \$42.8 million (including certain prepaid expenses assigned to the GUC Trust and approximately \$1.4 million designated for payment of the Avoidance Action Defense Costs) transferred to the GUC Trust on December 15, 2011, any excess funds will be returned to the DIP Lenders. If at any time the GUC Trust Administrator determines that the Residual Wind-Down Assets are not adequate to satisfy the Residual Wind-Down Claims (including the actual amount of Avoidance Action Defense Costs) and Residual Wind-Down Costs, such costs will be satisfied by Other GUC Trust Administrative Cash. If there is no remaining Other GUC Trust Administrative Cash, the GUC Trust Administrator is authorized to, with GUC Trust Monitor approval, reserve and, with Bankruptcy Court approval, sell New GM Securities to cover the shortfall. To the extent that New GM Securities are reserved and sold to obtain funding to complete the wind-down of the Debtors, such securities will not be available for distribution to the beneficiaries of the GUC Trust. Therefore, the amount of Residual Wind-Down Claims and Residual Wind-Down Costs could reduce the assets of the GUC Trust available for distribution. After the GUC Trust has concluded its affairs, any funds remaining that were obtained from the New GM Securities sold to fund the wind-down process or the resolution and satisfaction of the Residual Wind-Down Claims will be distributed to the holders of the GUC Trust Units. If the actual amount of Avoidance Action Defense Costs exceeds the corresponding cash of \$1.4 million received by the GUC Trust from MLC on the Dissolution Date, a new Residual Wind-Down Claim will arise in the amount of such shortfall.

In addition to the Residual Wind-Down Assets, the GUC Trust also received on the Dissolution Date approximately \$3.4 million in cash from MLC for the purposes of funding (1) certain costs, fees and expenses payable under the Plan to the indenture trustees and fiscal and paying agents for the previously outstanding debt of MLC, or the Indenture Trustee / Fiscal and Paying Agent Costs, and (2) Reporting Costs. The funds received were credited to the reserve for expected costs of liquidation. Any unused portion of the funds designated for the Indenture Trustee / Fiscal and Paying Agent Costs of \$1.4 million must be returned to the DIP Lenders and will not be available for distribution to the holders of GUC Trust Units at the winding up and conclusion of the GUC Trust.

In addition, on December 15, 2011, MLC transferred the remaining New GM Securities to the GUC Trust that were previously reported as Securities Due From Motors Liquidation Company and have since been reported as Holdings of New GM Securities.

**3. Basis of Presentation and Significant Accounting Policies**

***Liquidation Basis of Accounting***

The GUC Trust exists solely for the purposes described above in Note 1 and has a finite life. Accordingly, the GUC Trust has prepared the accompanying financial statements on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Under the liquidation basis of accounting as prescribed by the Financial Accounting Standards Board (FASB) Accounting Standards Codification, assets are stated at their estimated net realizable value, which is the non-discounted amount of cash into which an asset is expected to be converted during the liquidation period, while liabilities continue to be recognized at the amount required by other U.S. GAAP, and are not remeasured to reflect any anticipation that an entity will be legally released from an obligation. Additionally, under the liquidation basis of accounting, a reserve is established for estimated costs expected to be incurred during the liquidation period. Such costs are accrued when there is a reasonable basis for estimation. These estimates are periodically reviewed and adjusted as appropriate. The valuation of assets at net realizable value, reserves for residual wind-down claims and reserves for expected liquidation costs represent estimates, based on present facts and circumstances known to the GUC Trust Administrator, and are subject to change.

**Motors Liquidation Company GUC Trust**  
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As described above, the beneficiaries of the GUC Trust are future and, to the extent their liquidating distributions have not yet been paid to them, current holders of Allowed General Unsecured Claims and future and current holders of GUC Trust Units ("Trust Beneficiaries"). As Disputed General Unsecured Claims are resolved and allowed and thereby become Allowed General Unsecured Claims, the holders thereof become entitled to receive liquidating distributions of New GM Securities and GUC Trust Units *pro rata* by the amount of such Claims and, upon such occurrence, the GUC Trust incurs an obligation to distribute such securities. Accordingly, liquidating distributions payable are recorded (at the fair value of such New GM Securities) as of the end of the period in which the Disputed General Unsecured Claims are resolved as Allowed General Unsecured Claims. Similarly, to the extent potential Term Loan Avoidance Action Claims (as defined below) were to arise (and would become allowed) in the manner described in Note 2, liquidating distributions payable would be recorded for the New GM Securities (at fair value) that would become distributable to holders of Term Loan Avoidance Action Claims upon such occurrence. Prior to the resolution and allowance of Disputed General Unsecured Claims (or potential Term Loan Avoidance Action Claims), liabilities are not recorded for the conditional obligations associated with Disputed General Unsecured Claims. Rather, the beneficial interests of Trust Beneficiaries in the residual assets of the GUC Trust are reflected in Net Assets in Liquidation of the GUC Trust in the accompanying financial statements.

Under the liquidation basis of accounting, the GUC Trust presents two principal financial statements: a Statement of Net Assets in Liquidation and a Statement of Changes in Net Assets in Liquidation. In addition, although not required under the liquidation basis of accounting, the GUC Trust also presents a Statement of Cash Flows, in accordance with the requirements of the GUC Trust Agreement.

***Fiscal Year***

The GUC Trust's fiscal year begins on April 1 and ends on the following March 31. As the GUC Trust was created on March 30, 2011 and the Effective Date of the Plan was March 31, 2011, for financial reporting purposes, the GUC Trust is assumed to have been established as of April 1, 2011 and received its initial funding on or about April 1, 2011, which is the beginning of the year ended March 31, 2012 presented in the accompanying financial statements.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of amounts held in bank accounts or money market funds.

***Marketable Securities***

Marketable securities consist of short term investments in corporate commercial paper and municipal government commercial paper and variable demand notes and U.S. government agency bonds. The GUC Trust has valued these securities at fair value based on carrying value for municipal and corporate commercial paper where carrying value approximates fair value, par value for variable demand notes where par value equals fair value and pricing models, quoted prices of securities with similar characteristics, or broker quotes for U.S. government agency bonds.

***Holdings of New GM Securities***

Holdings of New GM Securities represent the GUC Trust's interest in New GM Securities held for future distribution in respect of Allowed General Unsecured Claims and the GUC Trust Units, and include amounts set aside from distribution to fund estimated and projected Wind-Down and Reporting Costs and potential Taxes on Distribution as described in Note 2. The securities held consist of shares of New GM Common Stock and New GM Warrants as further described in Note 1 and Note 6. The GUC Trust has valued its holdings in the securities at their fair value based on quoted market prices as of the last trading day of the fiscal year.

Prior to December 15, 2011, MLC held the New GM Securities for the benefit of the GUC Trust and the GUC Trust reported its interest in these securities as Securities due from MLC in its previous financial statements. Quoted market prices for New GM Warrants held by MLC for the benefit of the GUC Trust were not available until on or about April 20, 2011. Accordingly, the fair value of New GM Warrants held by MLC for the benefit of the GUC Trust on April 1, 2011 was estimated using a Black-Scholes pricing model. Quoted market prices for New GM Common Stock held by MLC for the benefit of the GUC Trust were available as of April 1, 2011 and, accordingly were used in valuing such Common Stock.

***Other Assets & Deposits***

Other assets and deposits consist principally of prepaid insurance, prepaid expenses and retainers for professionals.

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***Accounts Payable & Other Liabilities***

Accounts payable and other liabilities represent amounts due to professionals, service providers, and vendors for services rendered or goods received through the end of the period.

***Income Taxes***

The GUC Trust is considered to be a "Disputed Ownership Fund" pursuant to Treasury Regulation Section 1.468B-9. Because all of the assets that have been transferred to the GUC Trust are passive investments, the GUC Trust is taxed as a Qualified Settlement Fund (or QSF) pursuant to Treasury Regulation Section 1.468B-9(c)(1)(ii). The QSF tax status of the GUC Trust has been approved by the Internal Revenue Service in a private letter ruling issued on March 2, 2011. In general, a QSF is considered to be a C Corporation but pays Federal income tax using trust income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Internal Revenue Code Section 61 less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. In general, a Disputed Ownership Fund taxed as a QSF does not recognize gross income on assets transferred to it; therefore, the GUC Trust has not recognized gross income on the transfer of assets from MLC.

The GUC Trust is currently expected to generate gross income in the form of interest and dividend income and recognize gains and/or losses upon its disposition of shares of New GM Common Stock and New GM Warrants which it now holds, which will be reduced by administrative expenses and any accumulated net operating losses, to compute modified gross income. The tax basis of New GM Securities held at March 31, 2013 and 2012 used to calculate gain or loss on the disposition of the New GM Common Stock and New GM Warrants is approximately \$1,073 and \$1,123 million, respectively. As the GUC Trust is taxable for Federal income tax purposes, a current income tax liability or asset, if any, is recognized for estimated taxes payable or receivable for the year. Deferred tax liabilities and assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. Deferred tax assets are reviewed for recoverability and valuation allowances are provided as necessary.

The GUC Trust is not subject to state income taxes under current law. Accordingly, no current or deferred state income tax liabilities and assets are recorded.

The GUC Trust recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. The GUC Trust's Federal income tax return for the year ended March 31, 2012 is no longer subject to examination. As of March 31, 2013, there are no known items which would result in a significant accrual for uncertain tax positions.

***Funding Obligation to the Avoidance Action Trust***

Based on an analysis of the Avoidance Action Trust and its potential funding sources, the GUC Trust Administrator, in conjunction with the Avoidance Action Trust Administrator, determined that it would be in the best interest of the holders of Allowed General Unsecured Claims to fund certain fees, costs and expenses of the Avoidance Action Trust, subject to approval of the Bankruptcy Court. As described in Note 2, in March 2012, the Bankruptcy Court approved the sale of New GM Securities aggregating approximately \$13.7 million and the transfer of the sales proceeds to the Avoidance Action Trust for such funding. Accordingly, a funding obligation to the Avoidance Action Trust has been established in the accompanying Statement of Net Assets at March 31, 2012 for the amount that was expected to be and was transferred from the GUC Trust to the Avoidance Action Trust on May 14, 2012.

***Reserves for Residual Wind-Down Claims and Residual Wind-Down Costs***

Upon the dissolution of MLC, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining Residual Wind-Down Claims. On the date of dissolution of the Debtors, the Debtors transferred to the GUC Trust cash in an amount necessary to satisfy the ultimate allowed amount of such Residual Wind-Down Claims and Residual Wind-Down Costs, as estimated by the Debtors. Should the Residual Wind-Down Claims and the Residual Wind-Down Costs be less than the cash amount transferred by the Debtors, any excess funds will be returned to the DIP Lenders.

***Reserves for Expected Costs of Liquidation***

Under the liquidation basis of accounting, the GUC Trust is required to estimate and accrue the costs associated with implementing the Plan and distributing the GUC Trust's distributable assets. These costs, described as Wind-Down Costs and Reporting Costs in Note 2, consist principally of professional fees, costs of governance, and other administrative expenses. These amounts may vary significantly due to, among other things, the time and effort required to complete all distributions under the Plan. The GUC Trust has recorded reserves for expected costs of liquidation that represent estimated costs to be incurred over the remaining liquidation period of the GUC Trust for which there is a reasonable basis for estimation. The amount of liquidation costs that will ultimately be incurred depends both on the period of time and on the extent of activities required for the GUC Trust to complete its functions and responsibilities under the Plan and the GUC Trust Agreement.



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Significant uncertainty remains both as to that time period and as to the extent of those activities. As of March 31, 2013, such remaining liquidation period has been estimated on a probability-weighted basis, which the GUC Trust believes is the most appropriate measurement basis in the circumstances. It is reasonably possible that the GUC Trust's estimates regarding the costs and remaining liquidation period could change in the near term.

As the GUC Trust incurs such costs, the reserves are released to offset the costs incurred and a liability to the service provider is recognized as an accounts payable or accrued expense until paid.

The process of recording reserves as a matter of financial reporting is separate and distinct from the process by which New GM Securities are set aside from distribution for the purposes of funding estimated and projected Wind-Down and Reporting Costs and potential Taxes on Distribution as described in Note 2.

***Use of Estimates***

The preparation of financial statements on a liquidation basis in conformity with U.S. GAAP requires the use of estimates and assumptions that affect reported amounts of assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes. Significant estimates include the anticipated amounts and timing of future cash flows for expected liquidation costs, Residual Wind-Down Claims, fair value of marketable securities and the fair value of New GM Warrants held by MLC for the benefit of the GUC Trust on April 1, 2011. Actual results could differ from those estimates.

***New Accounting Standard***

In April 2013, the FASB issued Accounting Standards Update No. 2013-07, *Liquidation Basis of Accounting*, which amended the FASB Accounting Standards Codification and provides guidance as to when an entity should apply the liquidation basis of accounting. In addition, the guidance provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. The provisions are effective for annual periods beginning after December 15, 2013 and interim periods therein. Early adoption is permitted. The GUC Trust does not expect the adoption of these provisions will have a material impact on its financial statements.

**4. Net Assets in Liquidation**

***Description***

Under the GUC Trust Agreement and the Plan, as described more fully in Note 1, the beneficiaries of the GUC Trust are future and, to the extent their liquidating distributions have not yet been paid to them, current holders of Allowed General Unsecured Claims and future and current holders of GUC Trust Units ("Trust Beneficiaries"). Certain assets of the GUC Trust are reserved for funding the expected costs of liquidation and potential tax liabilities and are not available to the Trust Beneficiaries. Other assets of the GUC Trust, primarily Holdings of New GM Securities, as described in Notes 1 and 6, are available to be distributed to the Trust Beneficiaries ("GUC Trust Distributable Assets") in accordance with the Plan. The amounts of net assets in liquidation presented in the accompanying Statements of Net Assets in Liquidation (liquidation basis) at March 31, 2013 and 2012 correspond to the amounts of GUC Trust Distributable Assets as of March 31, 2013 and 2012.

***Trust Units***

As described in Note 1, each holder of an Allowed General Unsecured Claim will retain a contingent right to receive, on a *pro rata* basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such shares of New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims or liquidation for the payment of the expenses or tax liabilities of the GUC Trust) and cash, if any, remaining at the dissolution of the GUC Trust. The GUC Trust issues units representing such contingent rights ("GUC Trust Units") at the rate of one GUC Trust Unit per \$1,000 of Allowed General Unsecured Claims to each holder of an Allowed General Unsecured Claim, subject to rounding pursuant to the GUC Trust Agreement, in connection with the initial recognition of each Allowed General Unsecured Claim.

The GUC Trust makes quarterly liquidating distributions to holders of GUC Trust Units to the extent that certain previously Disputed General Unsecured Claims asserted against the Debtors' estates are either disallowed or are otherwise resolved favorably to the GUC Trust (thereby reducing the amount of GUC Trust assets reserved for distribution in respect of such asserted claims) and the amount of Excess GUC Trust Distributable Assets (as defined in the GUC Trust Agreement) as of the end of the relevant quarter exceeds thresholds set forth in the GUC Trust Agreement.

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The following presents the changes during the years ended March 31, 2013 and 2012 in the numbers of GUC Trust Units outstanding or for which the GUC Trust was obligated to issue:

	Year Ended March 31, 2013	Year Ended March 31, 2012
Outstanding or issuable at beginning of year	30,036,945	—
Issued during the year	274,604	29,923,831
Less: Issuable at beginning of year	(113,114)	—
Add: Issuable at end of year	28,879	113,114
Outstanding or issuable at end of year	<u>30,227,314</u>	<u>30,036,945</u>

***Allowed and Disputed Claims***

The total cumulative *pro rata* liquidating distributions ultimately received by Trust Beneficiaries is dependent upon the current amount of Allowed General Unsecured Claims and final resolution of outstanding disputed general unsecured claims, which reflect liquidated disputed claims and a Bankruptcy Court ordered reserve for unliquidated disputed claims (“Disputed General Unsecured Claims”) and potential Term Loan Avoidance Action Claims (as described in Note 2). Disputed General Unsecured Claims at March 31, 2013 and 2012 reflect claim amounts at their originally filed amounts and a court ordered distribution reserve for certain claims filed without a claim amount. The Disputed General Unsecured Claims may settle at amounts that differ significantly from these amounts and at amounts that differ significantly from the historical pattern at which claims have been settled and allowed in proportion to claims resolved and disallowed. As described in Note 3, prior to the resolution and allowance of Disputed General Unsecured Claims (or potential Term Loan Avoidance Action Claims), liabilities are not recorded for the conditional obligations associated with Disputed General Unsecured Claims. Liquidating distributions payable are recorded (at the fair value of New GM Securities to be distributed) as of the end of the period in which the Disputed General Unsecured Claims are resolved as Allowed General Unsecured Claims. Similarly, to the extent potential Term Loan Avoidance Action Claims were to arise (and would become allowed) in the manner described in Note 2, liquidating distributions payable would be recorded for the New GM Securities (at fair value) that would become distributable to holders of Term Loan Avoidance Action Claims upon such occurrence.

The following table presents a summary of the Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claims for the years ended March 31, 2013 and 2012:

(in thousands)	Allowed General Unsecured Claims	Disputed General Unsecured Claims	Term Loan Avoidance Action Claims	Maximum Amount of Unresolved Claims (1)	Total Claim Amount (2)
Total, April 1, 2011	\$ 29,770,812	\$ 8,153,860	\$1,500,000	\$ 9,653,860	\$39,424,672
New Allowed General Unsecured Claims	266,070	—	—	—	266,070
Disputed General Unsecured Claims resolved or disallowed	—	(2,948,593)	—	(2,948,593)	(2,948,593)
Total, March 31, 2012	30,036,882	5,205,267	1,500,000	6,705,267	36,742,149
New Allowed General Unsecured Claims	190,362	—	—	—	190,362
Disputed General Unsecured Claims resolved or disallowed	—	(1,600,396)	—	(1,600,396)	(1,600,396)
Total, March 31, 2013	<u>\$ 30,227,244</u>	<u>\$ 3,604,871</u>	<u>\$1,500,000</u>	<u>\$ 5,104,871</u>	<u>\$35,332,115</u>

- (1) Maximum Amount of Unresolved Claims represents the sum of Disputed General Unsecured Claims and Term Loan Avoidance Action Claims.
- (2) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

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Of the Disputed General Unsecured Claims aggregating \$3.60 billion as of March 31, 2013 in the table above, approximately \$2.68 billion relates to litigation currently being pursued by the GUC Trust (the “Nova Scotia Matter”) to disallow, equitably subordinate or reduce the following claims in the Debtors’ Chapter 11 cases: (i) claims aggregating approximately \$1.07 billion filed by or on behalf of certain holders of notes (the “Nova Scotia Notes”) issued in 2003 by General Motors Nova Scotia Finance Company, a Nova Scotia unlimited liability company and then a subsidiary of MLC (“Nova Scotia Finance”), and guaranteed by MLC (collectively, the “Guarantee Claims”), and (ii) the claim of approximately \$1.61 billion filed by the bankruptcy trustee for Nova Scotia Finance (collectively with the Guarantee Claims, the “Disputed Nova Scotia Claims”). In addition, the GUC Trust has determined that, as of March 31, 2013, approximately \$407 million relates to claims filed directly by former beneficial owners of notes previously issued or guaranteed by the Debtors, for which proofs of claim have otherwise been filed indirectly on behalf of such beneficial owners as members of a broader class. The GUC Trust expects to petition the Bankruptcy Court for the disallowance of such claims, upon final resolution of the claims of the classes to which such beneficial owners otherwise belong.

The Nova Scotia Matter involves a prior settlement agreement (the “Lock-Up Agreement”) entered into on the same day that MLC filed for bankruptcy, among MLC, Nova Scotia Finance and certain holders of Nova Scotia Notes, among other parties. The Lock-Up Agreement purported to settle certain prepetition litigation commenced in Canada relating to the Nova Scotia Notes in exchange for, among other things: (i) a cash payment of approximately \$367 million, funded by MLC and (ii) the allowance of claims to the extent permitted by law, in the Chapter 11 cases against MLC, aggregating approximately \$2.68 billion. Prior to the Lock-Up Agreement, the aggregate amount of all claims by holders of Nova Scotia Notes was approximately \$1.0 billion.

The trial in the Nova Scotia Matter commenced before the Bankruptcy Court on August 7, 2012, and it has not yet concluded. Resolution of the Nova Scotia Matter in favor of the GUC Trust would result in a portion or all of the Disputed Nova Scotia Claims being disallowed.

## 5. Liquidating Distributions

Liquidating distributions in the years ended March 31, 2013 and 2012 consisted of the following:

(in thousands)	2013	2012
Distributions during the year	\$ 44,554	\$7,851,746
Less: Liquidating distributions payable at beginning of year	(31,720)	—
Add: Liquidating distributions payable at end of year	16,555	31,720
Total	<u>\$ 29,389</u>	<u>\$7,883,466</u>

The distributions during the year ended March 31, 2013 consisted of distributions to (1) holders of Resolved Disputed Claims and (2) holders of Allowed General Unsecured Claims who previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but subsequently successfully fulfilled such information requirements. The distributions during the year ended March 31, 2012 included those distributions and two distributions in respect of all outstanding GUC Trust Units.

The GUC Trust was obligated at March 31, 2013 and 2012 to distribute 288,600 and 622,637 shares, respectively, of New GM Stock, 262,306 and 565,896, respectively, of New GM Series A Warrants, and 262,306 and 565,896, respectively, of New GM Series B Warrants in the aggregate to the following: (1) holders of Resolved Disputed Claims, (2) certain holders of Allowed General Unsecured Claims who had not then satisfied certain informational requirements necessary to receive these securities, and (3) holders of GUC Trust Units (at March 31, 2012). In addition, as of March 31, 2013, cash of \$0.6 million was then distributable in lieu of shares and warrants. Such cash distributions payable are to governmental entities which are precluded by applicable law from receiving distributions of New GM Securities and for distributions in lieu of fractional shares and warrants.

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**6. Holdings of New GM Securities**

At March 31, 2013 and 2012, the Holdings of New GM Securities, at fair value, consisted of the following:

	2013		2012	
	Number	Fair Value (in thousands)	Number	Fair Value (in thousands)
New GM Common Stock	28,714,897	\$ 798,849	30,034,667	\$ 770,389
New GM Series A Warrants	26,104,257	484,492	27,304,086	454,067
New GM Series B Warrants	26,104,257	307,769	27,304,086	305,806
Total		<u>\$1,591,110</u>		<u>\$1,530,262</u>

As described in Note 5, as of March 31, 2013 and 2012, the GUC Trust had accrued liquidating distributions payable of \$16.6 million and \$31.7 million, respectively, in respect of New GM Securities and cash of \$0.6 million at March 31, 2013 then distributable. As a result, the numbers of New GM Securities reflected above include shares and warrants for which liquidating distributions were then pending. As of March 31, 2013 and 2012, these securities for which distributions were then pending aggregated 288,600 and 622,637 shares of New GM Common Stock, respectively, 262,306 and 565,896 Series A Warrants, respectively, and 262,306 and 565,896 Series B Warrants, respectively.

As of March 31, 2013, the number of common stock shares and warrants in the table above also includes New GM Securities aggregating \$41.0 million reserved, or set aside, for projected GUC Trust fees, costs and expenses to be incurred beyond 2013 and \$407.3 million of New GM Securities reserved, or set aside, for potential Taxes on Distribution. As of March 31, 2012, the number of common stock shares and warrants in the table above also includes New GM Securities aggregating \$28.4 million reserved, or set aside, for projected GUC Trust fees, costs and expenses to be incurred beyond 2012 and \$108.6 million of New GM Securities reserved, or set aside, for potential Taxes on Distribution. As a result, as of March 31, 2013 and 2012, the numbers of New GM Securities in the table above include an aggregate of 8,092,231 and 2,688,527 shares of New GM Common Stock, respectively, 7,356,545 and 2,444,116 New GM Series A Warrants, respectively, and 7,356,545 and 2,444,116, New GM Series B Warrants, respectively, which have been so set aside.

Set forth below are the aggregate number and fair value of all such shares and warrants which are pending distribution or are reserved, or set aside, and are not available for distribution at March 31, 2013 and 2012.

	2013		2012	
	Number	Fair Value (in thousands)	Number	Fair Value (in thousands)
New GM Common Stock	8,380,831	\$ 233,155	3,311,164	\$ 84,931
New GM Series A Warrants	7,618,851	141,405	3,010,012	50,057
New GM Series B Warrants	7,618,851	89,826	3,010,012	33,712
Total		<u>\$ 464,386</u>		<u>\$ 168,700</u>

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**7. Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. The Trust's Marketable Securities, Holdings of New GM Securities and Liquidating Distributions Payable are presented as provided by this hierarchy.

*Level 1*—In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets and liabilities that the GUC Trust has the ability to access.

*Level 2*—Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets or liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

*Level 3*—Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability. The GUC Trust had no assets or liabilities that are measured with Level 3 inputs at March 31, 2013 and 2012.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The GUC Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The GUC Trust also holds other financial instruments not measured at fair value on a recurring basis, including Accounts Payable and Other Liabilities. The fair value of these liabilities approximates the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

The following table presents information about the GUC Trust's assets and liabilities measured at fair value on a recurring basis at March 31, 2013 and March 31, 2012, and the valuation techniques used by the GUC Trust to determine those fair values.

(in thousands)	March 31, 2013			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<b>Cash equivalents:</b>				
Money market funds	\$ 354	\$ —	\$ —	\$ 354
<b>Marketable Securities:</b>				
Municipal commercial paper and demand notes	—	61,006	—	61,006
Corporate commercial paper	—	15,790	—	15,790
<b>Holdings of New GM Securities</b>				
New GM Common Stock	798,848	—	—	798,848
New GM Warrants	792,262	—	—	792,262
<b>Total Assets</b>	<b>\$1,591,464</b>	<b>\$76,796</b>	<b>\$—</b>	<b>\$1,668,260</b>
<b>Liabilities:</b>				
Liquidating distributions payable	\$ 16,555	\$ —	\$ —	\$ 16,555

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(in thousands)	March 31, 2012			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<b>Cash equivalents:</b>				
Money market funds	\$ 38,396	\$ —	\$ —	\$ 38,396
<b>Marketable Securities:</b>				
Municipal commercial paper and demand notes	—	25,253	—	25,253
Corporate commercial paper	—	59,317	—	59,317
U.S. government agency bonds	—	2,001	—	2,001
<b>Holdings of New GM Securities</b>				
New GM Common Stock	770,389	—	—	770,389
New GM Warrants	759,873	—	—	759,873
<b>Total Assets</b>	<b><u>\$1,568,658</u></b>	<b><u>\$86,571</u></b>	<b><u>\$ —</u></b>	<b><u>\$1,655,229</u></b>
<b>Liabilities:</b>				
Liquidating distributions payable	\$ 31,720	\$ —	\$ —	\$ 31,720

The following are descriptions of the valuation methodologies used for assets and liabilities measured at fair value:

- Due to its short-term, liquid nature, the fair value of cash equivalents approximates its carrying value.
- Holdings of New GM Securities are valued at closing prices reported on the active market on which the securities are traded.
- Marketable securities include municipal commercial paper and variable demand notes, corporate commercial paper and U.S. government agency bonds. Municipal variable demand notes trade daily at par value and, therefore, their fair value is equal to par value. Due to their short term maturities, the fair value of municipal and corporate commercial paper approximates their carrying value. The fair value of U.S. government agency bonds is based on pricing models, quoted prices of securities with similar characteristics, or broker quotes.
- Liquidating distributions payable are valued at closing prices of New GM Securities reported on the active market on which the securities are traded

The GUC Trust's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no such transfers during the year ended March 31, 2013. During the year ended March 31, 2012, as a result of the dissolution of MLC, the New GM Securities previously held by MLC, were transferred to the GUC Trust. Accordingly, these securities, which then became direct holdings of the GUC Trust and had quoted prices in active markets, were reclassified from Level 2 to Level 1.

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**8. Reserves for Expected Costs of Liquidation and Residual Wind-Down Claims**

The following is a summary of the activity in the reserves for expected costs of liquidation for the years ended March 31, 2013 and 2012:

(in thousands)	Reserve for Expected Wind-Down Costs	Reserve for Expected Reporting Costs	Reserve for Indenture Trustee/Fiscal and Paying Agent Costs	Reserve for Avoidance Action Defense Costs	Reserve for Residual Wind-Down Costs	Total Reserves for Expected Costs of Liquidation
Balance, April 1, 2011	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Plus:						
Funding for expected costs from MLC	52,734	—	1,365	1,358	7,555	63,012
Additions to reserve	32,434	20,560	—	—	—	52,994
Less liquidation costs incurred:						
Trust Professionals	(25,320)	(6,975)	—	(78)	(3,506)	(35,879)
Trust Governance	(2,866)	—	(718)	—	—	(3,584)
Other Administrative Expenses	(167)	(265)	—	—	—	(432)
Balance, March 31, 2012	56,815	13,320	647	1,280	4,049	76,111
Plus additions to reserves	5,195	12,293	—	—	—	17,488
Less liquidation costs incurred:						
Trust Professionals	(19,712)	(2,985)	—	(382)	(2,408)	(25,487)
Trust Governance	(4,191)	(1,866)	(148)	—	—	(6,205)
Other Administrative Expenses	(64)	(320)	—	—	(10)	(394)
Balance, March 31, 2013	<u>\$ 38,043</u>	<u>\$ 20,442</u>	<u>\$ 499</u>	<u>\$ 898</u>	<u>\$ 1,631</u>	<u>\$ 61,513</u>



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During the year ended March 31, 2013, estimates of expected Wind-Down Costs and estimates of expected Reporting Costs increased by \$5.2 million and \$12.3 million, respectively. During the year ended March 31, 2012, estimates of expected Wind-Down Costs and estimates of expected Reporting Costs increased by \$32.4 million and \$20.6 million, respectively. Such revisions in the estimates were recorded as additions to the reserves for expected costs of liquidation in such years. The estimates of expected Wind-Down Costs for the year ended March 31, 2013 reflect the execution of a letter agreement with the DIP Lenders providing for relief from certain restrictions on utilization of Wind-Down Assets. The GUC Trust has recorded reserves for expected costs of liquidation that represent amounts expected to be incurred over the estimated remaining liquidation period of the GUC Trust for which there was a reasonable basis for estimation as of March 31, 2013. The amount of liquidation costs that will ultimately be incurred depends both on that time period and on the extent of activities required for the GUC Trust to complete its functions and responsibilities under the Plan and the GUC Trust Agreement. Significant uncertainty remains both as to that time period and as to the extent of those activities. The GUC Trust changed its estimate of the length of the remaining liquidation period during the year ended March 31, 2013, which resulted in an increase in estimates of expected Wind-Down Costs and estimates of expected Reporting Costs during the year. As of March 31, 2013, the recorded reserves for expected costs of liquidation reflect estimated costs for a remaining liquidation period extending through December 31, 2016, which has been estimated on a probability-weighted basis as permitted under U.S. GAAP and which the GUC Trust believes is the most appropriate measurement basis in the circumstances. In addition, certain liquidation costs that are expected to be prepaid by the GUC Trust upon its dissolution have also been estimated and accrued. It is reasonably possible that the GUC Trust's estimates regarding the costs and remaining liquidation period could change in the near term.

The following is a summary of the activity in the reserves for Residual Wind-Down Claims for the years ended March 31, 2013 and 2012:

(in thousands)	2013	2012
Balance, beginning of year	\$32,247	\$ —
Plus reserves received during the year from MLC	—	33,807
Less claims incurred/paid during the year	(1,392)	(1,560)
Balance, end of year	<u>\$30,855</u>	<u>\$32,247</u>

**9. Income Tax Provision**

The components of the income tax provision in the statements of changes in net assets in liquidation for years ended March 31, 2013 and 2012 are as follows:

(in thousands)	2013	2012
Current	\$ —	\$ —
Deferred	56,262	108,583
Total	<u>\$56,262</u>	<u>\$108,583</u>



**Motors Liquidation Company GUC Trust**  
**Notes to Financial Statements**  
**March 31, 2013**

There was no current income tax expense or benefit for the years ended March 31, 2013 and 2012 due to current and prior year net operating losses. Such net operating losses expire in March 2032 through 2033.

The following summarizes the sources and expected tax consequences of future taxable deductions and income, which comprise the net deferred tax liability at March 31, 2013 and 2012:

(in thousands)	2013	2012
<b>Deferred tax assets:</b>		
Reserves for expected costs of liquidation	\$ 21,983	\$ 24,539
Net operating losses	18,212	9,537
Gross deferred tax assets	40,195	34,076
<b>Deferred tax liabilities:</b>		
Fair value in excess of tax basis of holdings of New GM Securities	(205,040)	(142,659)
Gross deferred tax liabilities	(205,040)	(142,659)
Net deferred tax liability	<u><u>\$(164,845)</u></u>	<u><u>\$(108,583)</u></u>

The net deferred tax liability at March 31, 2013 was established using the enacted statutory tax rate of 39.6% that goes into effect for the GUC Trust's fiscal year beginning on April 1, 2013. At March 31, 2012, the GUC Trust's statutory tax rate of 35% was applied. The adjustment to increase the net deferred tax liability existing as of March 31, 2012 for the increase in the statutory tax rate resulted in an increase in the deferred tax provision for the year ended March 31, 2013 of approximately \$14.3 million.

#### **10. Related Party Transactions**

In addition to serving as GUC Trust Administrator, Wilmington Trust Company continues to serve as trustee pursuant to the indentures for certain series of previously outstanding debt of MLC. Wilmington Trust Company has received and will continue to receive certain customary fees in amounts consistent with Wilmington Trust Company's standard rates for such service. The Bankruptcy Court previously approved the creation of a segregated fund for the purposes of funding such fees for Wilmington Trust Company, as well as the other indenture trustees and fiscal and paying agents for previously outstanding debt of MLC. There were no such fees for Wilmington Trust Company in the year ended March 31, 2013. Fees during the year ended March 31, 2012 were \$480,000.

In addition, Wilmington Trust Company has also entered into certain arrangements with the GUC Trust pursuant to which it or its affiliates have previously received, and may in the future receive, reasonable and customary fees and commissions for services other than services in the capacity of GUC Trust Administrator. Such arrangements include the provision of custodial, investment advisory and brokerage services to the GUC Trust. The fees and commissions charged by Wilmington Trust Company and its affiliates pursuant to these arrangements are consistent with the standard fees and commissions charged by Wilmington Trust Company to unrelated third-parties in negotiated transactions. During the year ended March 31, 2013 and 2012, the total amount of such fees and commissions was approximately \$147,000 and \$210,000, respectively.